



July 21, 2004

BY OVERNIGHT MAIL

Mr. Kevin Brannelly, Director
Rates and Revenue Requirements Division
Department of Telecommunications and Energy
One South Station, 2nd floor
Boston, MA 02110

Re: D.T.E. 99-60 - Fitchburg Gas and Electric Light Company,
Default Service Tariff Filing M.D.T.E. No. 113 for September 1,
2004

Transmittal Letter

Dear Mr. Brannelly:

Fitchburg Gas and Electric Light Company d/b/a Unitil("Unitil") hereby submits two copies of Tariff Sheet No. 113 to implement Unitil's revised Default Service prices for its regular and large general service and outdoor lighting customers. The tariff sheet incorporates the new prices in both redlined and final version. The results of Unitil's Request for Proposals ("RFP") are being filed with the Department today under separate cover. This tariff is proposed to become effective on September 1, 2004.

Enclosed with this letter is a check in the amount of \$100.00 for the required filing fee.

Unitil will continue to notify customers of the changes in the default service rates in compliance with the Order in DTE 99-60-C using notices developed in conjunction with the default service education working group and the Department's Consumer Division. Unitil will also post its approved rates on its website and make them available via a toll free number at least 30 days in advance of September 1, 2004.

Pursuant to the Motion for Protective Treatment filed today under separate cover, Unitil seeks to protect from public disclosure the wholesale prices bid in response to its RFP. Accordingly, Unitil is filing the original and one copy of the tariff sheets which contain the confidential version of Attachment 1 with Secretary Cottrell. Copies of the filing containing redacted

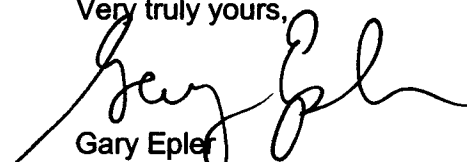
Gary Epler
Senior Regulatory Counsel
6 Liberty Lane West
Hampton, NH 03842-1720

Phone: 603-773-6440
Fax: 603-773-6640
Email: epler@unitil.com

versions of Attachment 1, which do not disclose the wholesale prices, have been provided to all other recipients unless otherwise noted.¹

Please contact me should you have any additional question on this matter.

Very truly yours,



Gary Epler
Senior Regulatory Counsel

Enclosures

cc: Mary L. Cottrell, Secretary (w/original and 1 copy of confidential attachments)
Jeanne Voveris, Esquire, Hearing Officer
Ronald LeComte, Director, Electric Power Division
Alexander Cochis, Asst. Attorney General (2 confidential copies)
Robert Sydney, General Counsel, Division of Energy Resources (1 confidential copy)
David McKeehan, President, No. Central Mass. Chamber of Commerce
D.T.E. 99-60 Service List

¹ Unitil is also providing copies of the filing containing the confidential material to the Attorney General (2 copies) and the Division of Energy Resources (1 copy), with whom Unitil has entered into Nondisclosure Agreements for this proceeding.



July 21, 2004

BY OVERNIGHT MAIL

Ms. Mary L. Cottrell, Secretary
Department of Telecommunications and Energy
One South Station, 2nd floor
Boston, MA 02110

Re: D.T.E. 99-60 - Fitchburg Gas and Electric Light Company d/b/a
Unitil, Default Service Tariff Filing M.D.T.E. No. 113 for
September 1, 2004

Letter of Explanation

Dear Ms. Cottrell:

Today, Fitchburg Gas and Electric Light Company d/b/a Unitil ("Unitil") submitted its Default Service tariff rate filing, M.D.T.E. No. 113. This tariff is proposed to become effective on September 1, 2004. The tariff is based upon the results of Unitil's Request for Proposals ("RFP") for Default Service, which is being filed with the Department today under separate cover.

As discussed in more detail in the RFP filing, Unitil sought fixed monthly pricing for regular and large general service and outdoor lighting customers for the three month period beginning September 1, 2004.

Unitil continues to plan to purchase Renewable Energy Certificates ("RECs") as a separate product from the market for this Default Service period, as it has in prior periods. For purposes of this filing, and based upon its analysis of the current REC market, Unitil has estimated the stand-alone price of RECs that would comply with the Renewable Energy Portfolio Standards ("RPS") to be \$49 per MWh.¹ This rate equates to \$0.00074 per kWh for 2004 when the Renewable Energy Portfolio Standard is 1.5% of load. This provides for compliance with 225 CMR 14.00.

Unitil has used the same methodology applied to the winning bids for calculating retail rates for three month solicitation customers as was used in its Default Service rate filing made with the Department on April 22, 2004 and

Gary Epler
Senior Regulatory Counsel

6 Liberty Lane West
Hampton, NH 03842-1720

Phone: 603-773-6440
Fax: 603-773-6640
Email: epler@unitil.com

¹ As required by the Department's Order on Default Services in D.T.E. 02-40-B, issued on April 24, 2003, please see the RFP filing and the Default Service Bid Evaluation Report for a further discussion of Unitil's RPS compliance strategy.

approved on April 29, 2004. The proposed rates are summarized in Attachment 1, Page 1. As shown, the Variable Monthly Pricing Option charges differ by class and by month. The Fixed Pricing Option charges vary by class. Attachment 1, page 2 demonstrates the calculation of both the variable and fixed charges. The fixed charges are equal to the retail variable charges weighted by monthly kWh sales percentages based on a forecast of monthly kWh sales.

Attachment 1, page 2, shows the kWh sales forecast at the bottom of the page. The percentages shown on lines 5-6 are the ratios of the monthly amounts to the totals for the period September - November 2004. Consistent with prior filings, Unitil has continued to assume equal monthly usage as representative of expected usage patterns for the large general service class due to limited participation under Default Service in that class.

These proposed rates represent a decrease to regular and large general service customers from 4.5% to 6.6% depending on usage and rate class. A complete set of bill impacts is attached as Attachment 2, pages 1 through 15.

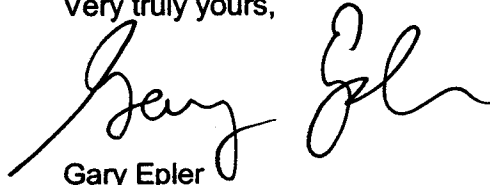
Unitil will continue to notify customers of the changes in the default service rates in compliance with the Order in D.T.E. 99-60-C using notices developed in conjunction with the default service education working group and the Department's Consumer Division. Unitil will also post its approved rates on its website and make them available via a toll free number at least 30 days in advance of September 1, 2004.

Pursuant to the Motion for Protective Treatment filed today under separate cover, Unitil seeks to protect from public disclosure the wholesale prices bid in response to its RFP. Accordingly, Unitil is filing the confidential original and one copy of the tariff sheets which contain the unredacted version of Attachment 1 with your office, and is providing redacted versions of the tariff sheets and Attachment 1, which do not disclose the wholesale prices, to all other recipients, except where noted.²

² Unitil is also providing complete copies of the filing containing the confidential information to the Attorney General (two copies) and the Division of Energy Resources (one copy), with whom Unitil has entered into Nondisclosure Agreements for this proceeding.

Please contact me directly should you have any questions regarding this matter.

Very truly yours,

A handwritten signature in black ink, appearing to read "Gary Epler", with a stylized flourish at the end.

Gary Epler
Senior Regulatory Counsel

cc: Jeanne Voveris, Esquire, Hearing Officer
Ronald LeComte, Director, Electric Power Division
Kevin Brannelly, Director, Rates and Revenue Requirements
Alexander Cochis, Asst. Attorney General (2 confidential copies)
Robert Sydney, General Counsel, Division of Energy Resources (1
confidential copy)
David McKeehan, President, No. Central Mass. Chamber of
Commerce
D.T.E. 99-60 Service List